

Date Mailed November 19, 1998

BEFORE THE
PUBLIC SERVICE COMMISSION OF WISCONSIN

Application of the Village of Merrilan, as an Electric
Public Utility, for Authority to Increase Electric Rates

3620-ER-100

**NOTICE OF PROCEEDING, INVESTIGATION, ASSESSMENT OF COSTS,
AND TELEPHONIC HEARING**

THIS IS A PROCEEDING, pursuant to Wis. Stat. §§ 196.03, 196.20, and 196.37, to consider the October 30, 1998, application of the Village of Merrilan, Jackson County (Merrilan), as an electric utility, for authority to increase rates.

Merrilan requests a rate increase, which will produce a 7.0 percent rate of return on net investment rate base. Merrilan cites increases in operating expenses and the value of its utility plant, since its last rate case in 1981, as the primary reason(s) for needing this increase. A depletion of funds on hand was also cited. Funds on hand have been used for a diesel switchgear, a diesel building structure addition, and major utility truck repairs.

Upon review of Merrilan's filing, Commission staff has proposed an overall increase in revenues of 7.0 percent. If Commission staff's proposal is approved, an average residential customer's bill would increase 8.7 percent, from \$32.90 to \$35.78, monthly, based on an average monthly usage of 653 kWh. Commission staff's proposal also includes a 2.8 percent increase for the general service (commercial) customers. These percentages represent the impact for an average customer in these rate classes. Individual customer bill impacts will differ from these percentages depending upon each customer's electric usage.

Merrilan is responsible for giving notice to its customers of the filing of its application with the Commission, and, pursuant to Wis. Admin. Code §. PSC 2.73, for producing proof of such notice at the hearing.

NOTICE IS GIVEN that the Commission will investigate this matter and hold a public hearing on December 10, 1998, at 9:00 a.m. This will be a telephonic hearing conducted from two sites. Merrilan will provide a room for customer participation in the Municipal Building located at 101 S Main Street, Merrilan, Wisconsin. Customers may call Merrilan at (715) 333-2332 for further details on the location of the hearing room. This building is accessible to people in wheelchairs. Commission staff will participate from the Lake Superior Room in the Public Service Commission Building, 610 North Whitney Way, Madison, Wisconsin. This building is accessible to people in wheelchairs through the Whitney Way first floor entrance (lobby). Parking for people with disabilities is available on the south side of the

building. Any person with a disability who needs additional accommodations at the Public Service Commission Building should contact James Petersen, case coordinator, at (608) 267-2190.

NOTICE IS FURTHER GIVEN that this matter is a Class 1 proceeding as defined in Wis. Stat. § 227.01(3)(a). This is a Type III action under Wis. Admin. Code §. PSC 4.10(3). No unusual circumstances suggesting the likelihood of significant environmental consequences have come to the Commission's attention. Neither an environmental impact statement under Wis. Stat. § 1.11, nor an environmental assessment is required.

NOTICE IS FURTHER GIVEN that the Commission considers it necessary in order to carry out its duties herein to investigate all books, accounts, practices, and activities of Merrilan. The expenses incurred or to be incurred by the Commission which are reasonably attributable to such investigation will be assessed against and collected from Merrilan, in accordance with the provisions of Wis. Stat. §. 196.85, and Wis. Admin. Code ch. PSC 5.

Questions regarding this matter may be directed to Jim Petersen at (608) 267-2190.

Dated at Madison, Wisconsin _____

By the Commission.

Lynda L. Dorr
Secretary to the Commission

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